



STATE OF WEST VIRGINIA  
OFFICE OF THE ATTORNEY GENERAL  
DARRELL V. MCGRAW, JR.  
CONSUMER PROTECTION DIVISION  
1-800-368-8808 or 304-558-8986

# Press Release

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## FOR IMMEDIATE RELEASE

**May 8, 2009**

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### **Attorney General McGraw Sues James R. Armstrong, Jr. and His Web of Florida Shell Companies Over Fraudulent Credit Counseling Scheme**

Attorney General Darrell McGraw filed a suit today alleging that James R. Armstrong, Jr. of Coral Springs, Florida, masterminded a web of for-profit companies to enrich himself under the guise of providing debt management services with Family Credit Counseling Corporation, a company also controlled by Armstrong to financially-strapped consumers. Recently, Armstrong tried to "take the money and run" by selling his interest in the accounts to another Florida corporation.

Today McGraw's office sued Armstrong and his shell companies in the Circuit Court of Kanawha County. McGraw's lawsuit seeks to recoup all payments unlawfully taken from the approximately 250 West Virginia consumers who were victimized by Armstrong's fraudulent practices.

In addition to Armstrong, this suit names numerous Florida-based companies owned or controlled by Armstrong, including Family Credit Counseling Corporation; Debt Solutions Foundation, Inc.; Top Financial Sales & Marketing, Inc.; Consumer Financial Marketing, Inc.; Consumer Debt Management & Education, Inc.; JRA Property & Land Management, LLC; and Vegga Corporation, many of which shared the same office addresses.

The suit also names American Debt Counseling, Inc. ("ADC"), of Sunrise, Florida, the company that agreed to pay as much as \$250,000.00 to Armstrong for the rights to service the debt management accounts. Although McGraw's suit does not allege that ADC was involved in Armstrong's fraudulent scheme, the suit asserts that ADC should not make any payments to Armstrong and should not collect any new fees from any West Virginia consumers until all unlawful fees have been refunded.

"It is regrettable that consumers who contacted Armstrong's companies in good faith seeking genuine debt relief were instead charged unlawful fees for virtually no assistance in eliminating their debt. Instead of helping them to "achieve a debt free life," as promised by Armstrong's web site, the overcharges and mismanaged funds compounded consumers' debts through increased interest, late fees, and other charges and also caused long-term damage to their credit ratings" stated Attorney General McGraw.

Any persons who have been aggrieved in a consumer matter may file a complaint with Attorney General Darrell McGraw's Consumer Protection Division by calling toll-free 1-800-368-8808, or by visiting McGraw's website at [www.wvago.gov](http://www.wvago.gov).

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